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CITATIONS

In the Supreme Court of the United States

OCTOBER TERM, 1948

No. 571

WILLIAM KOBER, PETITIONER

v.

UNITED STATES

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

BRIEF FOR THE UNITED STATES IN OPPOSITION

OPINIONS BELOW

The opinion of the United States District Court for the Eastern District of Virginia (R. 45) is not reported. The opinion of the Court of Appeals for the Fourth Circuit (R. 70-77) is reported at 170 F. 2d 590.

JURISDICTION

The judgment of the Court of Appeals was entered November 8, 1948 (R. 77). A petition for rehearing, filed December 1, 1948 (R. 78), was denied on December 11, 1948 (R. 83). The peti-

tion for a writ of certiorari was filed on February 18, 1949. The jurisdiction of this Court is invoked under 28 U. S. C. 1254(1).

QUESTIONS PRESENTED

Petitioner, an employee in the Signal Corps, was assigned to duties involving the design and development of electrical devices. At the time of his assignment he executed a memorandum agreement which recited that it was expected that his work might result in the discovery of patentable features and that his assignment to this work was for the purpose of vesting in the United States any inventions made while engaged in such work "if in the opinion of the Chief Signal Officer the public interest demands that the invention be owned and controlled by the War Department." The Chief Signal Officer determined that the public interest demanded that two of petitioner's inventions made pursuant to his assignment be owned and controlled by the War Department.

The questions presented are:

1. Whether petitioner may be required to assign to the United States all rights in these inventions.

2. Whether, in the absence of an offer to prove fraud, bad faith, or failure to exercise an honest judgment, the district court committed reversible error in limiting examination into the basis of the Chief Signal Officer's determination.

CONTRACT PROVISIONS INVOLVED

Patent Memorandum No. 3, which was executed by petitioner, provides as follows (R. 3-4):

> You are hereby assigned to develop improvement in arts of value to the Chief Signal Officer. It is expected that this work may result in the discovery of patentable features, and your assignment to this work is for the particular purpose of vesting in the United States all right, title and interest to any invention that you may make while engaged in the work assigned, if in the opinion of the Chief Signal Officer the public interest demands that the invention be owned and controlled by the War Department.
>
> Acceptance of assignment to this work will constitute an agreement on your part to execute the papers required for complete assignment of any such invention to the United States in case the Chief Signal Officer decides that the invention should remain secret, or to execute the papers necessary for making application for patent and the assignment of the patent to the United States if secrecy is not necessary or is necessary only for a limited time. In the case of an invention which the Chief Signal Officer decides should remain secret acceptance of this assignment also constitutes an agreement on your part that you will not disclose the invention to unauthorized persons until such time as you are informed in writing by the Director of the Signal Corps Ground

Signal Service, that the need for secrecy has ceased.

The assignment of the invention to the United States must be drafted in form to comply with requirements of law relating to patent applications coming under this category; but such assignment or instrument of transfer may in a proper case include suitable reservations to enable you to retain or repossess your commercial rights, in whole or in part, if and when the need for secrecy ceases to exist.

This notice of assignment to develop improvements in arts of value to the Signal Corps shall not be construed as divesting you of ownership of any invention made by you while engaged on this work, other than those which in the opinion of the Chief Signal Officer should be owned and controlled by the War Department to safeguard the public interest, except that the United States shall be entitled to a nonexclusive license to any and all inventions made by you in the course of the work assigned in the same way as if this special assignment had not been made.

STATEMENT

This action was brought to require petitioner to assign to the United States all rights in inventions described in two patent applications (R. 8). The judgment of the district court, declaring complete ownership of the inventions and patent applications to be in the United States and directing the assignment of all rights in the inventions and patent

applications to the United States (R. 12-14), was affirmed by the court below (R. 77).

In January 1943 petitioner, an employee of the United States Army Signal Corps, was transferred to the engineering laboratories near Ft. Monmouth, New Jersey, where he remained until January 1947 (R. 41). During this period he was assigned to perform duties which included the design and development of particular types of generators and electrically operated speed and voltage control devices and the experimental testing of production generators (R. 41-42). Before assuming his new duties he was advised of the Signal Corps policy with respect to the Government's rights to inventions made by persons assigned to research and development work and signed a memorandum (*supra*, pp. 3-4) which recited the expectation "that this work may result in the discovery of patentable features" and declared that he was assigned to this work "for the particular purpose of vesting in the United States all right, title, and interest to any invention that you may make while engaged in the work assigned, if in the opinion of the Chief Signal Officer the public interest demands that the invention be owned and controlled by the War Department" (R. 43).

This memorandum agreement, known as "Patent Memorandum No. 3," contained other provisions for the execution of the necessary documents to assign the invention to the United States if it was to remain secret or to apply for a patent and assign

the patent to the United States if secrecy was not necessary or was necessary for only a limited time. Further provisions permitted various interests to remain in the inventor under prescribed conditions. (R. 3-4, 10, 71.)

In the performance of his new duties petitioner invented an alternating current generator and a voltage compensator, applied for patents on these inventions, and executed instruments purporting to give the United States certain rights under the patent applications constituting less than a complete and unqualified assignment of the inventions disclosed in the patent applications (R. 42-43). There was no evidence to show that any authorized official of the United States accepted these rights in satisfaction of the Government's claim to the full ownership of the patent (R. 42-43).

In January 1947, petitioner resigned after a disagreement with his superior because of the latter's disclosure of the theory of one of his patents in negotiations with prospective manufacturers for the Government of devices embodying his invention (R. 72). At this time he was requested to execute to the Government licenses authorizing it to license others under the patents or, in the alternative, to make an assignment to the Government with the reservation to himself of a license which would permit him to exploit the patents commercially (R. 72). Petitioner refused to comply with this request and three months later the Chief

Signal Officer advised petitioner of his opinion that "the public interest demands that the inventions disclosed in said applications be owned and controlled by the War Department" (R. 7, 44). The Chief Signal Officer testified that it was desirable for the Government to own the patents so that it might obtain quantity production by private manufacturers and lower prices as a result of such production (R. 73). Although petitioner was informed by the Chief Signal Officer that he was "required to execute an assignment of the applications to the United States" (R. 7, 11), petitioner consistently refused to do so (R. 7-8, 73). This suit was instituted to compel the assignment of petitioner's rights under the patent applications (R. 73).

In the course of the trial the Chief Signal Officer testified to the reasons for his opinion that it was in the public interest for the Government to own the inventions (R. 15-16). Upon cross-examination petitioner's counsel explored at some length the information and advice relied upon in arriving at this opinion (R. 15-20, Tr. 43-56). The district judge inquired as to the purpose of this line of questioning and was advised that it was intended to show that the Chief Signal Officer acted upon inadequate and misleading information (R. 19, Tr. 52-56). The court stated that examination of the basis of the Chief Signal Officer's conclusion would not be profitable and directed counsel to

"take up a different line of questioning" (R. 20, Tr. 56). Without offering to prove that the opinion of the Chief Signal Officer was based upon fraud, bad faith or failure to exercise an honest judgment, counsel stated "I think the record is sufficient, as far as I am concerned" and concluded the examination (Tr. 56).

On appeal, the court below held (1) that the determination of the Chief Signal Officer fulfilled the specified condition of a valid contract and vested title to the invention in the United States, and (2) that if the contract were invalid the Government would be entitled to the invention by operation of law on the ground that petitioner "had made it while employed for the purpose of conducting investigations and making experiments from which it was anticipated that patentable inventions would result" (R. 74). With respect to the validity of the Chief Signal Officer's determination, the court found "nothing in the record * * * upon which to base a contention of fraud, bad faith or failure to exercise an honest judgment, nor * * * any basis for saying that evidence to this effect was excluded" (R. 76). It was pointed out that although "general charges of fraud were made in the argument of counsel, * * * there was no tender of proof which would justify sending the case back" (R. 76). The judgment of the district court granting the relief prayed by the United States was affirmed (R. 77).

ARGUMENT

The decision of the court below is in accord with the applicable decisions of this Court and, therefore, does not warrant review.

1. The finding of the district court that petitioner's two inventions were within the scope of his special assignment in entering his employment (R. 45, 42) was upheld by the court below (R. 72) and is not challenged here. In these circumstances, petitioner's contentions that the agreement he was required to execute for the assignment of such inventions was without statutory authority and void are entirely without substance. It is clear, in the absence of any contractual arrangement, that an employer is entitled to complete ownership of an invention which his employee was engaged to invent. *Standard Parts Co.* v. *Peck,* 264 U. S. 52. It is equally plain that this rule is applicable to government employment. *United States* v. *Dubilier Condenser Corp.,* 289 U. S. 178, 187, 190. Therefore, as held by both courts below, the right of the United States to the inventions is established without reliance upon petitioner's agreement to assign them. There is no sound basis, however, for challenging the validity of the agreement. Petitioner points to no statute which prohibits such agreements, and they must be deemed reasonable agreements entered into for lawful and proper purposes which find adequate support in the statutes. See Act of August 29, 1916, 29 Stat. 622, 10

U. S. C. 1223; Act of July 2, 1942, Secs. 8, 15, 56 Stat. 611, 631-632, 633; Act of July 1, 1943, Secs. 9, 16, 57 Stat. 347, 368, 369; Act of June 28, 1944, Secs. 9, 16, 58 Stat. 573, 594-595, 596; Act of July 3, 1945, Secs. 9, 16, 59 Stat. 384, 405, 406; Act of July 16, 1946, Secs. 8, 14, 60 Stat. 541, 564, 565. Moreover, the *Dubilier* case recognizes that the respective rights of the Government and its employees in inventions may be defined by contractual arrangement. 289 U. S. at 193. In view of the fulfillment of the conditions of the contract necessary to vest title in the United States, as well as the existence of circumstances which would vest title in the absence of a valid contract, the right of the United States to the inventions in question is clearly established.[1]

2. Petitioner's contention that cross-examination of the Chief Signal Officer was improperly limited is also without merit. It should be pointed out preliminarily that the Chief Signal Officer's determination which petitioner sought to impugn by cross-examination is relevant only if the agreement for the assignment of inventions was valid. If the contract was invalid, as petitioner contends,

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[1] The fact that petitioner was permitted to file patent applications under the statutory provisions applicable to government employees (Act of March 3, 1883, as amended, 22 Stat. 625; 35 U. S. C. 45) and that the Chief Signal Officer made his determination of the appropriate public interest some time later cannot alter this conclusion. There is no evidence that any government official either intended or had the authority to waive the Government's interest in the inventions established by contract or by law in the absence of contract.

the Government's right to the inventions, as pointed out above, is established without the necessity of a determination that ownership in the United States is required by the public interest. We believe, however, that the contract was valid and that the determination of the Chief Signal Officer made under it was also valid.

As previously indicated (*supra*, p. 7), the basis of the Chief Signal Officer's determination was thoroughly explored and it would appear that all relevant information had been extracted. "There is nothing in the record, however, upon which to base a contention of fraud, bad faith or failure to exercise an honest judgment, nor is there any basis for saying that evidence to this effect was excluded" (R. 76). The testimony given would seem to preclude the possibility that the Chief Signal Officer had any unelicited information relevant to petitioner's charges of fraud or bad faith (R. 15-20, Tr. 43-56). Moreover, there is no suggestion that petitioner was cut off in attempting to prove fraud or bad faith through other witnesses or through a request for relevant documents. In fact, at the time of the trial, petitioner's counsel indicated his acquiescence in the court's direction to "take up a different line of questioning" when he stated, in response to this direction, "I think the record is sufficient, as far as I am concerned" and concluded his cross-examination (Tr. 56). In these circumstances, the district court appears to have exercised

a reasonable discretion in terminating the particular line of questioning. *Alford* v. *United States*, 282 U. S. 687, 694.

CONCLUSION

For the reasons stated, it is respectfully submitted that the petition should be denied.

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